

## WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: BUDGET

DATE: JULY 18, 2007

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**COMMITTEE MEMBERS PRESENT:**

SUPERVISORS CAIMANO  
O'CONNOR  
CHAMPAGNE  
KENNY

**COMMITTEE MEMBERS ABSENT:**

SUPERVISORS MONROE  
BELDEN  
GABRIELS

**OTHERS PRESENT:**

REPRESENTING SIEMENS BUILDING TECHNOLOGIES, INC.:

PAUL ROGERS

TERRY COTTON, CONSULTANT TO SIEMENS

WILLIAM THOMAS, CHAIRMAN

PAUL DUSEK, COUNTY ATTORNEY

HAL PAYNE, COMMISSIONER OF ADMINISTRATIVE & FISCAL  
SERVICES

JOAN SADY, CLERK

SUPERVISORS HASKELL

MERLINO

TESSIER

F. THOMAS

BETSY HENKEL, COMPTROLLER OF THE WESTMOUNT HEALTH  
FACILITY

FRANK O'KEEFE, TREASURER

ROB LYNCH, DEPUTY TREASURER

RICK MURPHY, DEPUTY COMMISSIONER OF FISCAL SERVICES

KATHLEEN SONNABEND, TOWN QUEENSBURY

LINCOLN CATHERS, TOWN OF QUEENSBURY

BEN DRISCOLL, CITY OF GLENS FALLS

AMANDA ALLEN, LEGISLATIVE OFFICE SPECIALIST

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Mr. Caimano called the meeting of the Budget Committee to order at 10:00 a.m.

Upon opening the meeting, Mr. Caimano explained that the Budget Committee meeting had been called pursuant to public concern with respect to the cost savings aspects of the co-generation plant in place at the Westmount Health Facility. He noted that representatives of Siemens Building Technologies, Inc. were in attendance to address these concerns.

Privilege of the floor was extended to Hal Payne, Commissioner of Administrative & Fiscal Services to introduce the representatives of Siemens Building Technologies, Inc. Mr. Payne introduced Paul Rogers, of the Syracuse Siemens Building Technologies, Inc. office, and Terry Cotton, who, he explained, was an independent Long Term Care Specialist working as a consultant to Siemens. He said that Mr. Cotton was an expert in the Medicaid reimbursement field and was in attendance to enlighten the group as to how the reimbursement process worked.

Mr. Payne noted that the Budget meeting had been called at the request of Kathleen Sonnabend, a resident of the Town of Queensbury, and he asked if she would care to address the Siemens representatives directly with her questions. Ms. Sonnabend introduced herself and stated that because she had not anticipated a meeting of such large proportion she had not brought sufficient documentation to share with the entire group on the matters she intended to question. Apologizing to those that had previously heard the reasons for her presence, Ms. Sonnabend explained to the Siemens officials that herself, Lincoln Cathers and Doug Auer

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were a group of Warren County citizens and taxpayers concerned with the recent actions of the County. She stated that their concerns were based upon the fact that the County surplus had decreased from approximately \$22 million in 2000 to close to \$0 by the close of 2007, while on the verge of authorizing \$30 million for the new Health and Human Services Building. Ms. Sonnabend noted that when speaking about the proposed building, many Warren County Supervisors had determined that the building must be placed near the Westmount Health Facility in order to tie into the existing co-generation project which would result in additional energy savings.

In an effort to confirm the energy savings detailed by the Board of Supervisors, Ms. Sonnabend said that she, Mr. Cathers and Mr. Auer had begun searching for information and submitting FOIL (Freedom of Information Law) requests to gain detailed information on the co-generation plant. She noted that although she had acquired a strong financial background, including an MBA (Masters in Business Administration) from Northwestern University with concentration in Finance, and had been working as a financial analyst for the past twenty years, she was unable to decipher the project analysis provided, and she noted that she may have even found some errors. Ms. Sonnabend added that Mr. Auer and Mr. Cathers were both engineers; Mr. Cathers being a retired nuclear submarine engineer who was very knowledgeable about power systems and finance, while Mr. Auer was a mechanical engineer employed by a local developer and his profession required his frequent involvement in power systems and water source heat pump systems. She stated that while the group did not claim to know everything about the project, between the three their professional backgrounds should have allowed them to easily make sense of the financial documentation presented; however, they had been unable to.

Ms. Sonnabend advised that from their combined research, it appeared that the only way the County would realize savings from the co-generation project would be if medicaid reimbursement was received as expected, meaning that medicaid would be covering the losses occurring from the project. However, she noted, although their research reflected a much higher figure for anticipated medicaid reimbursement, only \$47,000 had been received and an appeal had been filed to request the balance. Regardless of the effort, the group was doubtful that the anticipated medicaid reimbursement figures would be received, Ms. Sonnabend stated.

Ms. Sonnabend apprised that the group also questioned Resolution No. 177 of 2005 which stated that because the purchase of supplies such as linen, laundry supplies and the Ansul System for the Dietary Department had not been included in the original Siemens contract, that contract was increased by an amount not to exceed \$34,000 to cover the additional supplies. She noted that the resolution did not list the specific amount by which the contract was increased and it also stated that the yearly payments due to Siemens Financial Services, Inc. would be accordingly increased; she added that she was unsure as to whether the additional amount was the capital cost added to the overall lease agreement or not.

Ms. Sonnabend stated that she felt there was a lot of sloppiness in the process and she said that she was unsure how she could specifically point out her questions in such a large group if they could not review the materials she had brought to the meeting together. She added that the matters she intended to question were very arcane and confusing making it hard to discuss them in such a large group. For example, Ms. Sonnabend cited, the construction savings stipulated in the contract with Siemens were the result of changes made to the laundry and kitchen facilities prior to the installation of the co-generation project at the Westmount Health Facility, because if they had been made after the co-generation project began the changes would have instituted an additional \$10,280 charge from Siemens. She said that she did not know how to evaluate this figure; however, if it was accurate it was a one time savings and not an ongoing annual savings as listed in the

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documentation she had received.

In response to Ms. Sonnabend's statement, Mr. Rogers explained that the construction savings figure appeared in the annual report for year one of the co-generation project and he noted that it would not appear in the second year figures. He added that during the construction period, savings would be realized as efficiency measures were installed, beginning with the first piece of efficiency equipment implemented.

Continuing, Ms. Sonnabend questioned her perceived discrepancies between the Siemens Performance Assurance Report and an energy costs comparison produced by Mr. Auer, *a copy of which is on file with the minutes*. Mr. Rogers replied that the first year Performance Assurance Report had already been independently reviewed and approved; however, he would be happy to discuss the figures although he would defer to the Committee Chairman as to how much time would be allotted for this discussion as it was a very involved and intricate analysis.

Ms. Sonnabend stated that it was her opinion that an independent analysis was not performed. She said she had been advised that upon initial review of the Report, the County-hired auditor had advised the County Treasurer that it would take six months and the assistance of an electrical engineer to appropriately decipher it. Frank O'Keefe, Treasurer, confirmed that the auditor had made this statement, adding that the auditor said he was not qualified to review the figures and would require an electrical engineer to review the math in the report to confirm its accuracy. Ms. Sonnabend stated that shortly thereafter, a similar review was performed by Clough Harbour & Associates, a firm connected with the project and therefore not constituting an independent review, and upon their approval of the Report, the County-hired auditor signed his approval also. She said that she did not feel this was an independent audit as the County-hired auditor's approval seemed to be based solely upon that of Clough Harbour & Associates. Mr. Auer added that the analysis provided by Clough Harbour & Associates had noted that it was based on data provided by Siemens and he did not feel that was appropriate.

Mr. Rogers stated that this was not a valid concern in his opinion, because any licensed professional engineer within the State of New York would not approve something that might put themselves or their firm at risk.

Discussion ensued during which Mr. Rogers addressed Ms. Sonnabend's concerns with respect to the figures included in the Performance Assurance Report compared to the figures presented in the documentation provided by Mr. Auer as directed to him. He closed by noting that the analysis produced by Mr. Auer was inaccurate because it was purely a cost analysis which did not appropriately reflect the value of the co-generation system to Warren County.

Chairman Thomas entered the meeting at 10:17 a.m.

Ms. Sonnabend reiterated that an independent audit of the Performance Assurance Report had not been performed as it had been based upon figures presented by Siemens.

Mr. Dusek stated that as far as he was concerned the project had been handled correctly and he had no reason whatsoever to believe that there was any kind of fraud involved in the numbers presented and he asked Ms. Sonnabend if she were suggesting such, to which she replied negatively. She added that her concern was based upon the fact that the success of the project was being based solely on the numbers provided by Siemens with no accounting of whether or not they were factual. Mr. Dusek replied that an

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enormous amount of information had contributed to the project throughout its procession, all of which had been reviewed and approved by both the accounting and engineering parties. He added that there was no portion of the project that was suspect and they could not return to the beginning of the process and 'reinvent the wheel'. Mr. Dusek said that the only issue relevant to the project referred to medicaid reimbursement and he noted that there was currently an appeal in process for the additional funds expected.

Moving to her questions with respect to the laundry facility housed in the Westmount Health Facility, Ms. Sonnabend compared the costs reported in the Performance Assurance Report to the costs of the contract held with Warrensburg Laundry prior to the construction of the laundry facility. Messrs. Payne and Rogers answered her cost analysis questions to the best of their ability. During their conversation, Mr. Payne noted that Resolution No. 177 of 2005, as noted earlier in the meeting, constituted an increase to the Siemens contract for an amount not to exceed \$34,000 for the purchase of linens, supplies and laundry carts and he advised that this had been a one time start-up fee. Mr. Payne apprised that during the period when the County had contracted with Warrensburg Laundry for washing services they had spent an average of \$10,000 per year to replace lost or damaged linens and that cost had decreased significantly since the laundry facility had been constructed and worked on an in-house basis. Ms. Sonnabend asked if it was known how much the payments to Siemens had increased with the \$34,000 contract addition and Betsy Henkel, Comptroller of the Westmount Health Facility, replied that the additional funds were contributed from the Westmount budget so there was no increase in the payment. When asked, Mr. Payne clarified that Countryside Adult Home also utilized the laundry facilities and they reimbursed the Westmount Health Facility on a per laundry load basis for the use of these services.

Ms. Sonnabend asked why the laundry usage seemed to have increased by 25% since the institution of the laundry facility and Mr. Rogers replied that most likely because they could be done on an in-house basis, sheets and such were probably washed on a more frequent basis than they had been when using an out-of-house commercial laundry company. Ms. Sonnabend stated that she did not feel that this should be included in the Performance Assurance Report because the savings realized were not the direct result of the co-generation facility. Conversely, Mr. Rogers stated that they should be included because when operating on an in-house basis they had the ability to adjust their energy baseline depending on usage.

Mr. Dusek said he agreed with Mr. Rogers, adding that this element was completely at the County's discretion. He noted that the County had certain laundry procedures in place prior to the installation of the co-generation plant and if they decided to alter procedures, resulting in increased energy costs, it was no reflection on Siemens or the co-generation project. Mr. Dusek explained that the Siemens contract had cited savings based on the costs of laundry cleaning services on a commercial basis as opposed to the costs of cleaning on an in-house basis and using the frequency of wash loads used prior to the construction of the laundry facility. He added that subsequent to the establishment of the contract, the County had changed their procedures, increasing the number of wash loads and leading to higher energy costs, that could not be attributed to errors on the part of Siemens.

Mr. Rogers agreed that a baseline theory was established at the beginning of the co-generation project and had accounted for the County's normal procedures and functions. He said that the savings projected were calculated based on this theory and could not be guaranteed if the County were to change the way it operated.

Ms. Sonnabend stated that although she realized that there was some need for electrical service for the laundry, it was her understanding that the overriding theory for including the laundry in the co-generation

project was to harvest the wasted heat and Mr. Rogers replied that this was correct. Ms. Son nabend countered that the heat did not have a cost because it would have been wasted and Mr. Rogers agreed that this was also correct. In light of that fact, Ms. Son nabend said that she did not understand how the cost savings listed for the laundry facility could be included in the Performance Assurance Report if they were primarily using wasted heat, which was free. Mr. Rogers explained that there was also a need for gas and electricity for the washers and dryers and the savings reflected in the Performance Assurance Report compared these figures, accounting for the use of wasted heat, to the costs of out-sourcing the job to a commercial company, leading to increased savings for the County. Mr. Payne noted that the County would never have considered building the laundry facility if it had not been for the ability to use the wasted heat from the co-generation facility, which made the project profitable.

Referring to documentation developed and provided by Mr. Auer, Ms. Son nabend noted that the costs of the electricity used in 2004 for the Annex Building (*Social Services*) was \$67,957 and she asked who was paying this amount. Mr. Dusek replied that the figure represented the use of electricity by the Social Services Building prior to their connection to the co-generation facility, and was paid from their budget which was comprised of Federal, State and local funds. He said that although an analysis would have to be performed to determine how much funding came from each of the Federal, State and local sources, he would suspect that the total was a mixture of the three. Mr. Dusek added that one could not lose sight of the fact that if the co-generation project were not installed, the energy for the Social Services Building would have to be purchased from National Grid, while they were now paying Warren County for the same service.

Discussion ensued with respect to the energy prices.

Referring to the medicaid reimbursement expected in connection with the project, Mr. Dusek noted that it was apparent that the total amount anticipated had not been received and an appeal was in place to gain the additional funds sought and he asked Mr. Cotton if he was confident that these additional funds would be received and when. Mr. Cotton advised that while he was confident that the County would receive the remainder of the medicaid reimbursement sought, he could not give a definite time frame for when it would be received due to the extended amount of time it normally took the State to review and process such claims. He said that if he were to estimate a time frame, he would anticipate receipt of the additional funds, or notice that they were forthcoming, no later than the first quarter of 2008.

Ms. Son nabend apprised that from documentation she had gathered, she had found that medicaid reimbursement in the amount of approximately \$47,000 had been received and an appeal was in process to gain an additional \$90,000, totaling approximately \$137,000. She noted that alternate documentation reflected anticipated medicaid reimbursement of approximately \$359,000 for the first year and she asked how this could be correct. Mr. Payne noted that the figure of \$359,000 had come from the accounting report generated by the County-hired auditor, which stated that with a medicaid utilization of 84.55%, Westmount would only pay \$298,857 through final 2006 medicaid rates for these projected costs and further in the report it reflected an additional net benefit of \$60,000 which he had added together to get the \$359,000 figure.

Mr. Dusek stated that the bottom line on this project, as noted in a contract signed by Warren County, could be viewed in the pro forma included in the contract which listed all of the savings expected by the County as a result of the co-generation project. He said he recalled that the report reflected no medicaid reimbursement was expected during the first year and the anticipated figure escalated over the following years. Mr. Dusek stated that the County had entered into the agreement under the impression that medicaid reimbursement would be received as anticipated, making the project worthwhile. He then asked Mr. Cotton

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to confirm that the figures listed in the pro forma were what should reasonably be expected for medicaid reimbursement, and Mr. Cotton replied affirmatively.

Ms. Sonnabend asked Mr. Cotton to justify the \$359,000 medicaid reimbursement figure and he replied that he could not as he had not reviewed the information listing that number. He explained that it was easiest to understand the rate of reimbursement by noting that the County would receive reimbursement of roughly 73% of the total project costs, which were approximately \$3.5 million. Ms. Sonnabend reiterated her concern that there was a large difference between the medicaid reimbursement figures listed in the Siemens documentation and what she perceived to be the actual amounts anticipated from her research. She noted that although she did not expect the group to have all of the answers to her questions at that time, she would greatly appreciate their research of the matter and returning to her with appropriate answers.

Mr. Dusek cited that Ms. Sonnabend's research had yielded various numbers disclosed by different sources throughout the project which were misleading her. He said that to appropriately review the project figures she should go back to the contract entered into with Siemens and review the pro forma document which listed all of the savings anticipated and then proceed in verifying that those numbers were in fact being yielded. For instance, Mr. Dusek explained, the figures listed on the laundry facility were stipulated and therefore, were guaranteed. As for the medicaid reimbursement figures, those figures were generated at the time the contract was produced and he had just confirmed with Mr. Cotton that although the anticipated amounts had not yet been received, they should be and would continue to be received throughout the contract. He noted that if the medicaid reimbursement was not received as documented in the contract, the matter would be addressed and resolved between the County and Siemens. At this point, Mr. Dusek stated, from his review of the project he felt that it was perfectly reasonable to allow the project to proceed as planned and await the receipt of medicaid reimbursement as estimated. In addition, he noted, the medicaid reimbursement figures listed in the contract were estimated as the minimum reimbursement anticipated and it was entirely possible that the County would actually receive more than what had been projected. Mr. Dusek said that the numbers had been conservatively estimated by Siemens because it would not be favorable for their company should the actual medicaid reimbursement received fall short of their estimated figures. Mr. Cotton confirmed that this statement was correct and he added that a percentage figure of reimbursement had been used because a plethora of figures were used in the estimation process and it was far less confusing to focus on a percentage for the end goal rather than an actual dollar figure. Mr. Dusek noted that another confusing aspect of the projected figures was that some were based on a calendar year while others were based on the project year and it was very important to separate the two when making comparisons.

Mr. Cathers noted that from his review of the Siemens contract he had found that there were actually negative numbers projected for some years. Mr. Dusek apprised that although he could certainly understand the concern, it was important to remember that the contract did not specify that these figures were expected to be positive every year, but rather that the project would become budget neutral, meaning that it would pay for itself by the end of the project term. He noted that although only a very small gain might be realized during the final years of the project, great savings would be realized at the contracts expiration as the project would be completely paid for. Mr. Dusek said that while they might see negative numbers reflected in any given year, it was more important to review the project benefits at the close of the project term.

Ms. Sonnabend apprised that another concern of hers was that due to delays in the receipt of medicaid reimbursement, the County would be forced to remove funds from surplus, or borrow from another source, to cover the lack of funds while waiting for reimbursement. Ms. Sonnabend asked if this delay in the receipt

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of funding from the State was typical and Mr. Cotton replied affirmatively. Mr. Rogers added that they had anticipated this delay when developing the Siemens contract and that is why the pro forma listed zero medicaid reimbursement for the first year, as typically, it took eighteen months to two years to receive the first reimbursements.

Mr. Champagne asked Ms. Sonnabend if she had researched the proposed benefits of the co-generation project 20 - 25 years into the future and Ms. Sonnabend replied that she had. She cited that after the project was completed and paid for the County would have to assume a maintenance contract projected at approximately \$80,000 per year and would also have to replace equipment leading to ongoing capital costs. Mr. Rogers apprised that the life expectancy of the natural gas aspirated engines incorporated in the project was 20 to 30 years. He reminded the group that during the life of the project all of the equipment was covered fully by Siemens for maintenance and replacement, if necessary. Mr. Rogers stated that at the end of the 13 year project term the County would own all of the equipment incorporated in the project such as the chillers, engines, control system and laundry and kitchen facilities, leading to a massive positive result for Warren County.

Mr. Payne pointed out that during a prior meeting Ms. Sonnabend had expressed one of her main concerns as understanding the medicaid reimbursement and why the State had reimbursed 84.5% in the first year, as well as the fact that she did not feel this was a savings to the County because medicaid reimbursement came from taxpayer dollars. Ms. Sonnabend corrected Mr. Payne's statement, noting that her main concern was that the County had entered into a project with increased costs that could only make sense if medicaid reimbursement was received to cover the losses incurred by the project. She noted that even though the project would save Warren County money it would actually cost the taxpayer more, as their taxes were contributing to the medicaid reimbursement.

Mr. Dusek stated that there was no question that medicaid reimbursement was a major component of what made the project work; however, he continued, it was the State of New York, in their infinite wisdom, that had determined that medicaid monies were available for certain things, including the co-generation project. He explained that refusing medicaid funding for this project would be similar to refusing a TAP (Tuition Assistance Program) award given to a student going to college based on the fact that it consisted of taxpayer dollars and was therefore unfair. Mr. Dusek advised that if Warren County did not accept the medicaid reimbursement it would certainly be accepted by another County for a similar purpose. Philosophically, he noted, if Ms. Sonnabend had a complaint with the use of medicaid reimbursement, it should be directed to New York State and not the Board of Supervisors.

In addition, Mr. Dusek stated, it was incorrect to state that the medicaid reimbursement was going to be used to cover a loss. He said that if anything, the situation should be reviewed in a positive light because the funding received would be used to pay for improvements to a facility that would be a continued benefit to the taxpayers of Warren County. Mr. Dusek added that the State was very smart to finance such projects because not only was the project expected to be budget neutral, at the end of the 13 year project the savings reaped by the County would make the Westmount Health Facility a much more viable facility. This point should not be lost sight of because it was a fact that nation-wide nursing homes were suffering and some private homes were even forced to close because they couldn't handle the costs of operation, he stated. Mr. Dusek noted that in this instance Warren County had taken advantage of a program that would make the Westmount Health Facility economically viable well into the future, saving County tax dollars and at the same time yielding benefits for years to come.

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Mr. Payne noted that Mr. Cotton had worked on similar projects across the Country and he asked him to explain to the group how medicaid reimbursement related to new construction projects. Mr. Cotton apprised that the costs of construction and financing, including interest, were reimbursed through the medicaid program based on the annual depreciation of the project as a component of the rate. He said that this rate was received according to the number of medicaid eligible residents of the nursing home. For instance, Mr. Cotton stated, the 73% figure used in producing the Siemens contract was developed by factoring the number of medicaid eligible residents of the Westmount Health Facility at the time the contract was written. Taking this into account, Ms. Son nabend asked if the percentage of medicaid eligible residents were higher would an increased medicaid reimbursement be received and Mr. Cotton replied affirmatively.

Ms. Son nabend asked if the medicaid reimbursement would continuously be received behind schedule and Mr. Dusek stated that the County had every reason to believe that the full amount of medicaid reimbursement would be received and once the process was started it would be received on a regular basis. He reiterated Mr. Rogers' statement that the pro forma included in the Siemens contract had appropriately accounted for zero medicaid reimbursement for the first year as they had anticipated a delay in the process.

Discussion ensued.

Mr. Payne noted that it was important to keep in mind that Counties all over the State were building new facilities and receiving medicaid reimbursement for them. Mr. Cotton stated that this was correct and he did not feel that they would have been built without such reimbursement. Mr. Payne apprised that in Cattaraugus County they had just built a \$20 million building with 90% medicaid reimbursement and as such, Warren County was utilizing only a small chunk of the funds available. He said that the State wanted good safe buildings for the medicaid recipients, and taxpayers at large, and therefore the process had been implemented.

Ms. Son nabend stated that if she felt that the co-generation project was truly an improvement to the Westmount Health Facility she would not be objecting. Mr. Caimano replied that it was not a matter of whether or not the project was an improvement, but rather that the process was not clear to Ms. Son nabend, and, as such, the meeting had been scheduled to address her concerns. However, he noted, it appeared that Ms. Son nabend was only looking at portions of the project and objecting to them, rather than looking at the project as a whole, which was a problem. Mr. Caimano stated that nothing was being hidden from her and they had done their best to answer all of her questions in the best manner possible. Despite these efforts, he said, there had been an overwhelming aura at all of the meetings with Ms. Son nabend that somehow the County had hired a fraudulent company and that the County itself had been derelict in their duties. Mr. Caimano asked Ms. Son nabend to clarify her questions and he advised that answers would be prepared and forwarded to her; however, this would be the end of the meetings on the subject.

Ms. Son nabend asked Mr. Cotton to research the \$359,000 anticipated medicaid reimbursement figure she had found in her research and contact her with an explanation and Mr. Cotton replied that although he had not devised the number he would make an attempt to do so. Mr. Payne reiterated that this figure had been devised by himself based on a report by the County-hired accountant. Mr. Cotton noted once again that the percentage of medicaid reimbursement was based on the number of medicaid eligible residents housed, which at the time the contract was written was 73% and therefore 73% of construction costs would be reimbursed by medicaid, and the number would fluctuate based on the changes in medicaid occupancy. Ms. Son nabend then asked if Mr. Cotton could make comparison of the numbers estimated for medicaid reimbursement in the Siemens contract to the figure given by the accountant and return to her with his findings. Mr. Dusek stated that this was not a fair request because Mr. Cotton had not generated the numbers in the accounting



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report and her question should actually be directed to the County-hired accountant. Ms. Sonnabend then asked if the accountant could be questioned on this matter and Mr. Dusek apprised that he could; however, Mr. Payne would have to contact him because the documentation had been generated on behalf of the County.

As directed by Mr. Caimano, Ms. Sonnabend clarified her questions as follows:

- 1) Mr. Cotton and Mr. Payne: Reconcile the \$358,972 Medicaid reimbursement amount in the 2006 Analysis of Combined Heat and Power Plant (CHP) for the Westmount Health Facility and Annex Buildings with the \$258,998 Medicaid reimbursement amount listed in the Siemens pro forma;
- 2) Mr. Rogers: Reconcile the \$154,740 listed as the operating costs for the co-generation facility for the period June 1, 2005 through May 30, 2006 with the actual utility bills paid;
- 3) Ms. Henkel: Research and disclose the 2004 facility laundry costs for the Westmount Health Facility and Countryside Adult Home and the total costs of wages and benefits for the increased laundry personnel, as well as the total medicaid reimbursement received to date for the co-generation project.

Mr. Auer asked Mr. Rogers why the test field being drilled at the Municipal Center campus had been significantly expanded over what was indicated in the initial contract. Mr. Dusek noted that in fairness, Mr. Rogers was not the correct person to answer this question because he had no involvement in the project. Mr. Payne apprised that he had no knowledge of the project being expanded over the 186 wells specified in the original contract, and Mr. Caimano agreed. Mr. Auer advised that he had been advised of the expansion by one of the gentlemen drilling at the test site to which Mr. Caimano replied that this was an unreliable source.

In closing, Mr. Caimano thanked everyone for attending the meeting, especially Mr. Rogers and Mr. Cotton for their assistance in addressing the public concerns with respect to the co-generation project.

Mr. Caimano adjourned the meeting at 11:12 a.m.

Respectfully submitted,  
Amanda Allen, Legislative Office Specialist